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Turkey

Stone Fruit Annual

Turkey Stone Fruit Annual 2010

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Report Highlights:

Turkish cherry production was 600,000 MT in MY 2009 and 2010 and exports are estimated at a record 65,000 MT in MY 2010. Turkish peach and nectarine production in MY 2009 and MY 2010 were 547,000 MT and 550,000 MT, respectively.

Executive Summary:

Turkey continues as one of the world's major producers of fresh fruit and vegetables. Stone fruits account for 14 percent of total fruit production in Turkey, the third most significant after deciduous and citrus fruits. Most stone fruit is consumed fresh in the domestic market.

Cherry production levels were high in MY 2009 and in MY 2010, reaching 600,000 MT both years. The increase in production was also reflected in the export levels. Cherry exports are estimated to reach record 65,000 MT in MY 2010. EU and Russia continued as Turkey's major export markets.

In MY 2009 and MY 2010 peach and nectarine production did not change drastically as predicted. Production was 547,000 MT and 550,000 MT respectively.

MY 2009 peach and nectarine exports bounced back from MY 2008 levels and were recorded as 32,000 MT. MY 2010 has been a good year for exports as well and total exports are expected to be same as MY 2009.

Turkish producers are showing an increasing interest in stone fruit production, mainly due to low returns from other crops and the high export potential of cherries. Therefore, stone fruit production is predicted to continue to increase in the near future.

Commodities:

Fresh Cherries,(Sweet&Sour)

Fresh Peaches & Nectarines

Production:

Cherries

Turkey leads the world in total cherry production and is usually a top-three exporter. This success is mainly due to encouragement and education of farmers by the major exporting companies. High returns attract producers. The attractive export market opportunities such as Russia and Middle Eastern countries also encourage Turkish farmers to convert their farms to cherry orchards.

2009 was a good year as cherry production increased about 14 percent compared to the previous year. Total sweet and sour cherry production was recorded as 600,000 MT in MY 2009. Weather conditions were reasonable during the blooming season and frost did not hit the crop in most growing areas as it did the past few years.

The fruit quality for sweet cherries, however, were somewhat impacted by heavy rains which caused rain cracking during the harvest in MY2009.

Table 1: Fresh Cherries, PS&D

Turkey
Fresh Cherries, (Sweet&Sour)

	2008			2009			2010			
	2008/2009			2009/2010			2010/2011			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		UOM	
	USDA Official Data		Old Post Data	USDA Official Data		New Post Data	USDA Official Data	Jan Data		
Area Planted	34,000	36,000	36,000	36,000	37,000	37,000			37,000	(HA)
Area Harvested	0	0	0	0	0	0			0	(HA)
Bearing Trees	18,000	18,500	18,500	18,500	19,500	19,300			19,300	(1000 TREES)
Non-Bearing Trees	5,700	8,000	8,000	8,000	8,000	8,500			8,500	(1000 TREES)
Total Trees	23,700	26,500	26,500	26,500	27,500	27,800			27,800	(1000 TREES)
Commercial Production	440,000	500,000	525,000	500,000	500,000	600,000			600,000	(MT)
Non-Comm. Production	0	0	0	0	0	0			0	(MT)
Production	440,000	500,000	525,000	500,000	500,000	600,000			600,000	(MT)
Imports	0	0	0	0	0	0			0	(MT)
Total Supply	440,000	500,000	525,000	500,000	500,000	600,000			600,000	(MT)
Fresh Dom. Consumption	261,000	300,000	325,000	300,000	305,000	368,000			355,000	(MT)
Exports, Fresh	28,560	50,000	50,000	50,000	45,000	52,000			65,000	(MT)
For Processing	150,440	150,000	150,000	150,000	150,000	180,000			180,000	(MT)
Withdrawal From Market	0	0	0	0	0	0			0	(MT)
Total Distribution	440,000	500,000	525,000	500,000	500,000	600,000			600,000	(MT)

According to industry contacts and producers, cherry production is predicted to be approximately 600,000 MT in MY2010 as well.

Cherries are grown mainly in the Central Anatolia and Marmara regions. Because of the high export demand, an increasing number of Turkish producers are getting involved in cherry production. This trend is further encouraged by extensive recruitment of growers by cherry exporting companies. A cherry orchard takes at least three years to become productive.

Processed cherries account for 25 percent of total sweet and sour cherry production.

Turkish sour cherries are well known for their high juice quality. According to industry sources, approximately 85 percent of sour cherry production is used in the processing sector to make canned products, marmalades, frozen fruits and fruit juices. The rest is usually sold fresh on the domestic market.

There are more than one hundred varieties of sweet cherries produced in Turkey. The 0900 Ziraat variety (also known as Turkish Napoleon), which was developed by Turkish scientists, is the most popular type produced for export. About 90 percent of sweet cherry exports are Napoleon.

To satisfy growing international demand some producers are shifting to organic cherry production as well. So far, however, this is a very small share of total production; nearly all organically grown cherries are

exported. Organic cherry production, mainly in Bursa and Kutahya provinces, is estimated to be approximately one percent of total cherry production.

Overall cherry tree numbers are increasing, but production is increasing even faster as yields per tree have jumped thanks to better management practices, pruning, and fertilizer use taking place on larger commercial orchards. There are an increasing number of large and modern orchards being established in Turkey. These tend to be between 50 and 100 hectares.

In an attempt to increase exports, about one third of producers are registered with the EUREPGAP (European Retailers' Protocol for Good Agricultural Practices) program. Major exporters are encouraging smaller producers to participate; some exporters even fund the cost of certification and auditing. The increasing number of registered producers under the program favors exports to the EU and Russia.

Peaches and Nectarines

Turkey accounts for approximately 3 percent of total world peach production. Peaches and nectarines can be cultivated all over Turkey but currently 50 percent of production is in the Marmara Region, especially Bursa province. Recently, peach orchards have expanded in the Aegean and Mediterranean Regions, however total production of peaches and nectarines has not grown significantly.

The weather conditions were quite favorable during the blooming and harvesting season. Peach and nectarine production was recorded as 540,000 MT in MY2008. Production slightly increased in MY 2009 and reached 547,000 MT. MY 2010 has not been an unusual year for peach and nectarine producers and production is estimated to be about 550,000 MT.

Table 2: Fresh Peaches and Nectarines, PS&D

<p style="text-align: center;">Turkey Fresh Peaches & Nectarines</p>									
	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official Data		Old Post Data	USDA Official Data		Old Post Data	USDA Official Data	Jan Data	UOM
Area Planted	26,500		26,500	26,500		26,500		27,000	(HA)
Area Harvested	0		0	0		0		0	(HA)
Bearing Trees	14,000		14,000	14,000		14,000		14,000	(1000 TREES)
Non-Bearing Trees	2,500		2,500	2,500		2,700		2,600	(1000 TREES)
Total Trees	16,500		16,500	16,500		16,700		16,600	(1000 TREES)
Commercial Production	540,000		540,000	552,000		547,000		550,000	(MT)
Non-Comm. Production	0		0	0		0		0	(MT)
Production	540,000		540,000	552,000		547,000		550,000	(MT)

Imports	20		20	0		0		0	(MT)
Total Supply	540,020		540,020	552,000		547,000		550,000	(MT)
Fresh Dom. Consumption	409,020		409,020	407,000		395,000		393,000	(MT)
Exports, Fresh	19,000		19,000	25,000		32,000		32,000	(MT)
For Processing	112,000		112,000	120,000		120,000		125,000	(MT)
Withdrawal From Market	0		0	0		0		0	(MT)
Total Distribution	540,020		540,020	552,000		547,000		550,000	(MT)

Peaches are supplied to the domestic market from May to September. There is, however, no industry association dealing specifically with peaches or nectarines in Turkey. The Mediterranean Region produces the early varieties, and late varieties usually come from the Marmara and Aegean regions. Although the trend is slowly changing, traditionally the peach orchards in Turkey are relatively small.

Nectarine production is primarily exported.

Consumption:

Cherries

The consumption of fresh cherries domestically increased mostly due to increased health concerns of people living in metropolitan areas. This trend of higher domestic consumption of cherries continued in MY 2009 and MY 2010. Domestic consumption of cherries reached almost 370,000 MT in MY 2009.

Approximately 85 percent of all sour cherry production is processed; a very small percentage is exported, and the rest is consumed in the domestic market. The fruit juice sector is also growing rapidly and sour cherry juice is very popular among Turkish people.

The major export markets for cherries are the EU and Russia. These markets prefer larger sized cherries. Therefore, Turkish producers that target the export markets use different techniques and varieties in order to meet the requirements of foreign markets.

Peaches and Nectarines

About 80 percent of peach production is consumed fresh and the rest is processed for juice, jam and dried products. Most fresh peaches and juice are consumed domestically.

Nectarines are not as popular as peaches domestically. Nectarines are rather new to the Turkish market and prices are usually higher than peaches. As a result, domestic nectarine consumption is not very high.

Trade:

Cherries

Cherries are among the top exported fruits grown in Turkey. Turkish cherry exports mainly consist of sweet cherries. Cherry exports met Post predictions and were recorded as 52,000 MT in MY 2009.

Some cherry growing areas were hit with heavy rains during the harvest. Despite the rain cracking problem that occurred as a result, exporters we contacted were satisfied with export levels this year.

Exports continued were strong in MY 2010 as well, increasing by 25 percent compared to the previous year. Cherry exports are predicted to reach a record high 65,000 MT in MY 2010.

Germany, Russia and Bulgaria continued to be the top three markets for Turkish cherries. Exports to Germany increased from 15,000 MT in MY 2009 to 17,000 MT in MY 2010. Russia also continued to be a significant market and exports increased by 16 percent to 14,600 MT in MY 2010.

The number of orchards is expected to increase even further given the high export potential of cherries. Furthermore, participation in the EUREPGAP program by an increasing number of Turkish cherry producers will have a direct impact in export volumes and is expected to continue in the future.

As declared in the Official Gazette, the customs duty for cherry imports is 55 percent.

Table 3: Export Trade Matrix, Fresh Cherries

Turkey Fresh Cherries, (Sweet&Sour)			
Time Period	Jan- Dec	Units:	MT
Exports for:	MY 2009		MY 2010 [1]
U.S.	0	U.S.	0
Others		Others	
Germany	14743	Germany	16995
Russia	12605	Bulgaria	15304
Bulgaria	8899	Russia	14680
UK	3174	Italy	3223
Italy	3162	Iraq	2560
Netherlands	2381	Netherlands	2497
Belgium	1209	UK	2389
Iraq	970	Belgium	1088
Sweden	653	Sweden	894
France	505	Denmark	583
Total for Others	48301		60213
Others not Listed	2869		3515
Grand Total	51170		63728

[1] The data reflects exports from January through August.

Peaches and Nectarines

MY 2009 was a very good year for peach and nectarine exports. Export increased approximately 68 percent in MY 2009 compared to the previous year and reached 32,000 MT.

This was mainly due to higher yields of export varieties, better quality and reduced competition abroad.

Even though the current figures for MY 2010 shows 22,000 MT in exports, industry contacts and producers predict that total quantity will reach 30,000 MT in MY2010.

Middle Eastern countries and Russia continued to be major markets for Turkish peaches and nectarines. In Western Europe only Germany and the Netherlands are among the top export destinations.

Although the total production quantity is the highest among all stone fruits in Turkey, peach and nectarine exports are traditionally only about 6 percent of production. Industry contacts claim that this is mainly due to strong competition overseas and problems with pesticide residue levels. New pesticide policies have been published and producers begun following the new rules.

As declared in the Official Gazette, the customs duty for peach and nectarine imports is 55 percent.

Table 4: Export Trade Matrix, Fresh Peaches and Nectarines

<p style="text-align: center;">Turkey Fresh Peaches & Nectarines</p>			
Time Period	Jan- Dec	Units:	MT
Exports for:	MY 2009		MY 2010 [2]
U.S.	0	U.S.	0
Others		Others	
Saudi Arabia	9096	Iran	6807
Russia	7054	Saudi Arabia	4692
Ukraine	4744	Russia	4009
Iran	4437	Ukraine	2138
Bulgaria	2648	Bulgaria	1899
Iraq	1358	Iraq	850
Germany	1179	Romania	575
Northern Cyprus	603	Germany	318
Romania	367	Northern Cyprus	256
Netherlands	216	Belarus	167
Total for Others	31702		21711
Others not Listed	678		578
Grand Total	32380		22289

² The data reflects exports from January through August

Stocks:

There are no official stocks of stone fruits in Turkey.

Policy:

The government does not usually take an active role in the production and export of stone fruits. In 2006, the Minister of Agriculture and Rural Affairs (MARA) declared that Turkish exporters could not divert products that were rejected by other countries into the domestic market. This policy apparently came in response to claims that

products rejected by other importing countries because of high pesticide residues were returned and sold in the Turkish market.

MARA also implemented a frost damage insurance program. This program, as written, applies the same conditions throughout Turkey and reportedly fails to take into account different blooming and bearing periods in the different regions. As a result, fruit producers from Central Anatolia claim it is unsuitable for the production period in their region.

The major government-related assistance activities are conducted by IGEME, the Export Promotion Center of Turkey, which operates under the Foreign Trade Undersecretariat (FTU). IGEME does not provide specific financial support to stone fruit producers or to stone fruit exporters; rather they conduct general activities such as organizing fairs and trade shows abroad and carrying out training workshops and educational programs.

Turkish stone fruit producers, as well as other farmers in Turkey, receive direct income payments. These payment amounts change each year and are made to farmers on a per 0.1 hectare basis. The private sector takes the lead in the marketing of stone fruits. Major exporters encourage small farmers to register under EUREPGAP and sometimes help pay for the associated expenditures. These major exporters also educate producers and help modernize agricultural facilities in rural areas.